

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG BEAR)	
WASTEWATER, INC. FOR AN)	
ADJUSTMENT OF RATES PURSUANT)	CASE NO. 97-245
TO THE ALTERNATIVE RATE FILING)	
PROCEDURE FOR SMALL UTILITIES)	

O R D E R

IT IS ORDERED that Big Bear Wastewater, Inc. ("Big Bear Wastewater") shall file the original and 12 copies of the following information with the Commission with a copy to all parties of record no later than 14 days from the date of this Order. Big Bear Wastewater shall furnish with each response the name of the witness who will be available to respond to questions concerning each item of information requested should a public hearing be scheduled.

1. According to the explanation contained in Schedule B of the application, several of Big Bear Wastewater's proposed expense adjustments are based on estimates prepared by management. In evaluating pro forma adjustments, the Commission uses the rate-making criteria of known and measurable. Estimates that are not supported by documentation (i.e.; invoices, bids, etc.) would not constitute a known and measurable adjustment. For the following proposed pro forma adjustments provide documentation to support Big Bear Wastewater's cost estimates:

a.	Transportation Expense	\$ 301.68
b.	Rentals (Tools & Equipment)	\$ 111.96
c.	Utilities	\$ 716.16

2. During 1996, Big Bear Wastewater paid Robert Eastman a monthly salary of \$125; however the pro forma salary is based on an hourly rate. Provide a detailed explanation for Big Bear Wastewater's proposed switch from a set monthly fee to an hourly pay rate for Robert Eastman.

3. During 1996, Big Bear Wastewater paid Rhonda Brandon a monthly salary of \$50. Provide documentation to support the proposed \$46.16 per month increase in Rhonda Brandon's monthly salary.

4. Big Bear Wastewater has proposed to pay Richard Meier an owner/manager fee of \$300 per month; however 18.5 hours of Robert Eastman's estimated monthly hours allocated to Big Bear Wastewater are for management. Provide a detailed separate analysis of the management duties performed by Richard Meier and Robert Eastman. Include in the analysis the appropriate documentation to support the number of hours each has spent performing the management duties for Big Bear Wastewater for each month in 1997.

5. Big Bear Wastewater estimated that Dick Eastham spends 18.55 hours per month performing maintenance duties at the treatment plant. Provide an analysis with the appropriate documentation to support the number of hours Dick Eastham has spent performing the maintenance duties for Big Bear Wastewater for each month in 1997.

6. Big Bear Wastewater estimated that Robert Eastman spends 3 hours per month performing maintenance duties at the treatment plant. Provide an analysis with the appropriate documentation to support the number of hours Robert Eastman has

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spent performing the maintenance duties for Big Bear Wastewater for each month in 1997.

7 Big Bear Wastewater's pro forma testing/analysis expense reflects a monthly fee of \$58.65. If this fee has increased in 1997, provide a copy of an invoice to support the increased fee.

8. Does Big Bear Wastewater provide service to any customers not listed in its application?

9. The application in this case was filed by Big Bear Wastewater, Inc., yet the application indicates that the plant is owned by Big Bear Resorts, Inc. Commission records in fact also indicate that the plant is owned by Big Bear Resorts, Inc. Explain why the application for a rate adjustment should not have been filed by Big Bear Resorts, Inc., the owner of the plant, rather than by Big Bear Wastewater, Inc., the operator of the plant.

Done at Frankfort, Kentucky, this 30th day of October, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director